

Fiscal Year 2006 Pre-Disaster Mitigation (PDM) Program Guidance Changes from FY 2005

Topic and Location in the Guidance	FY 2005	FY 2006
Funds	\$235 million for grant awards. Comprised of FY 2003 funds, FY 2004 funds, and FY 2005 funds.	The FY2006 appropriation is \$50 million rather than the \$150 million anticipated. Availability of PDM funds is dependent upon Congressional reauthorization.
Duplication of Programs		Added examples: <ul style="list-style-type: none"> • The Natural Resources and Conservation Service has the primary responsibility for funding watershed management plans; • The Environmental Protection Agency manages the Clean Water State Revolving Fund (CWSRF) program to fund a variety of water quality infrastructure projects (e.g. combined sewer overflow (CSO) and sanitary sewer overflow (SSO) projects to eliminate sewer system overflows).
Funding limits	\$3 million cap on planning and projects.	\$3 million cap on projects; \$1 million cap on planning. Sub-applications that propose a Federal cost share in excess of the Federal funding limit will not be considered.
Applications	Applicants must use e-Grants or eGrants paper application format.	Applicants MUST use eGrants and provide an original and two copies of any paper documentation that cannot be electronically submitted (e.g., engineering drawings, photos, maps). Applicants may submit a maximum of 5 planning and/or project sub-applications, plus a sub-application for management costs.

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Applicant Review of Sub-applications	Not addressed.	<p>Added a separate section to highlight the fact that Applicants must review sub-applications and attach them to a PDM grant application in eGrants in order to submit to FEMA.</p> <p>Added a new requirement:</p> <ul style="list-style-type: none"> The Applicant should provide a narrative in the comment field for the sub-application in eGrants to describe: <ol style="list-style-type: none"> Whether the proposed activity meets the Applicant's mitigation objectives as stated in the Applicants' hazard mitigation plan and the goals and objectives of the Sub-applicant's mitigation strategy; Whether the proposed activity is feasible and will provide a long-term, independent solution to mitigate natural hazards; and If the Sub-applicant is able to manage the grant funds and complete the activity in the time specified.
Applicant Management Costs		Added a separate section to highlight the fact that a separate Technical Assistance/Management Costs sub-application is required to request Applicant management costs.
Pre-award Costs	Costs incurred prior to the grant award, but after issuance of the FY 2005 PDM Guidance, are identified as pre-award costs.	Costs incurred prior to the grant award, but after the PDM application period has opened , are identified as pre-award costs.
Eligible Mitigation Planning Activities	Planning activities that develop state, Indian tribal, local, and university multi-hazard mitigation plans that meet planning criteria outlined in 44 Code of Federal Regulations Part 201.	<p>Added new subsections:</p> <ul style="list-style-type: none"> New Plan Development Upgrade Comprehensive Review and Update Mitigation Plan Requirements

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Ineligible Planning Activities	Flood studies or flood mapping; Risk assessments, technical assistance, or workshops not resulting in a FEMA-approved multi-hazard mitigation plan; and Information dissemination activities not tied directly to a PDM planning sub-application	Added: <ul style="list-style-type: none"> • Mapping activities that are not part of a risk assessment; • Any ground disturbing activity that would initiate the environmental review and compliance process; • Pre-award activities not directly related to the development of the planning sub-application or implementing the proposed planning activity; and • Limited revisions and amendments that do not result in a comprehensive hazard mitigation plan update.
Planning Scope of Work		Added new subsections: <ul style="list-style-type: none"> • Description of Planning Process • Work Schedule A sample outline and content for a planning SOW to assist in developing an adequate description of the proposed planning activity is available on the FEMA Mitigation Planning webpage: http://www.fema.gov/fima/planning .
National Ranking Process	FEMA will select the highest scoring eligible sub-applications representing up to 150 percent of funding available to forward to the National Evaluation.	FEMA will forward from the National Ranking to the National Evaluation the highest scoring sub-applications representing not less than 150 percent of available funds.
National Ranking Factors for Planning Activities	<ul style="list-style-type: none"> • Assessment of Frequency & Severity of Hazards; • Applicant Ranking; • Community Mitigation Factors; • FEMA-Approved Standard/Enhanced Mitigation Plan; • Small, Impoverished Community. 	Removed: <ul style="list-style-type: none"> • FEMA-approved Standard/Enhanced Mitigation Plan Added: <ul style="list-style-type: none"> • FEMA-approved Enhanced Mitigation Plan

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National Evaluation Factors for Planning Activities	<ul style="list-style-type: none"> • Assessment of Frequency & Severity of Hazards; • Potential Benefits to Constituents; • Strategy for Completing the Planning Process; • Sufficient Staff & Resources; • Leveraging Partners; • Performance measures; • Appropriate Outreach Activities &/or Model for Other Communities; • Community Mitigation Factors. 	<p>Removed:</p> <ul style="list-style-type: none"> • Strategy for Completing the Planning Process • Assessment of Frequency & Severity of Hazards • Community Mitigation Factors <p>Added:</p> <ul style="list-style-type: none"> • Thoroughness of Scope of Work to describe the methodology for completing the proposed mitigation plan
Eligible Mitigation Project Activities	Voluntary acquisition and relocation, structural and non-structural retrofitting, minor structural hazard control, localized flood control, construction of safe rooms, and generators for critical facilities.	Clarified examples of eligible mitigation project activities and provided Mitigation Activity codes in eGrants for each example. Pre-award project costs associated with implementation of the project started prior to award will not be eligible.

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Ineligible Project Activities	Major flood control, warning and alert notification systems, phased or partial projects, flood studies or mapping, generators for non-critical facilities, response and communications equipment, dry floodproofing of residential structures, projects addressing ecological issues, demolition/rebuild projects (for any hazard), projects that solely address a manmade hazard.	Added: <ul style="list-style-type: none"> • Water quality infrastructure projects; • Projects that address ecological or agricultural issues related to land or forest management; • Any mitigation activities involving demolishing an existing structure and building a new structure (<i>i.e.</i>, demolition/rebuild) in floodplains; • Projects that solely address maintenance or repairs of existing structures, facilities, or infrastructure (<i>e.g.</i>, dredging, debris removal, dam repair/rehabilitation); • Localized flood control projects that do not protect a critical facility; • Localized flood control projects that constitute a section of a larger flood control system; and, • Any project for which another Federal agency has primary authority.
Deadline for FEMA-approved mitigation plan to receive project sub-applications	By the selection date.	By April 14, 2006.
Feasibility/Effectiveness Requirement for Mitigation Projects	Mitigation projects must be feasible.	Added: <ul style="list-style-type: none"> • Mitigation projects must also be effective. • Project sub-applications MUST address the level of protection and any residual risk to the structure after project implementation. Certain retrofitting measures may increase risk to the structure from multiple natural hazards. For example, elevation to decrease adverse effects from flooding may increase exposure to wind and seismic hazards. Vulnerabilities to all hazards should be considered.
Income Tax on Mitigation Project Funds	FEMA will provide guidance on this issue.	FEMA mitigation payments that benefit property owners through the mitigation of their structures are not subject to federal income taxation.

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Project Maintenance	Maintenance costs must be included in the Cost Estimate and the Benefit-Cost Analysis	Clarified that maintenance costs must NOT be included in the Cost Estimate; however, anticipated future maintenance costs MUST be included in the Benefit-Cost Analysis.
Project Scope of Work		<p>Added examples for the engineering standard and the level of protection:</p> <ul style="list-style-type: none"> • Applicable building code/edition or engineering standard used (e.g., for drainage projects this may be a state or local standard or requirement). • Level of protection provided by the proposed project (i.e., wind speed, building code/edition, debris impact standard). For example with a wind project this would include the level of protection for the entire building and whether the project is addressing all wind vulnerabilities. • If the project does not address all of the wind vulnerabilities, identify what building components will still be vulnerable if the proposed project is implemented.
Cost Effectiveness Methodology for Mitigation Projects		<p>Added restrictions:</p> <ul style="list-style-type: none"> • The Flood Very Limited data module of the FEMA Benefit Cost Analysis (BCA) software may not be used to demonstrate cost-effectiveness for PDM project sub-applications, only to screen projects for cost-effectiveness. • Alternative non-FEMA BCA software may be used only when the proposed methodology either addresses a non-correctable flaw in FEMA's current BCA modules or proposes a new ideology that FEMA does not currently have available and cannot accommodate through the BCA modules. • An electronic version of the BCA MUST be provided in Microsoft Excel.

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Special Flood Hazard Area Requirements	Applicants receiving assistance for projects sited in a SFHA will ensure that requirements are met by requesting the participating property owner(s) to sign a notice of the conditions for receiving FEMA grant funds for projects in a SFHA.	Applicants receiving assistance for projects sited in a SFHA will ensure that requirements are met by requesting the participating property owner(s) to sign an Acknowledgement of Conditions for Mitigation of Property in a Special Flood Hazard Area with FEMA Grant Funds form and providing the form to FEMA prior to award.
National Raking Factors for Mitigation Projects	<ul style="list-style-type: none"> • Benefit-Cost Ratio by Hazard; • Confidence in the Benefit-Cost Ratio; • Applicant Ranking; • Engineering Feasibility; • Community Mitigation Factors; • FEMA-Approved Enhanced Mitigation Plan; • Protection of Critical Facilities; • Percent of the Population Benefiting; • Small, Impoverished Community. 	<p>Removed:</p> <ul style="list-style-type: none"> • Benefit-Cost Ratio (BCR) by Hazard • FEMA BCR Confidence Factor • Engineering Feasibility <p>Added:</p> <ul style="list-style-type: none"> • FEMA approved local plan

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National Evaluation Factors for Mitigation Projects	<ul style="list-style-type: none"> • Implementation Timeline & Expectations; • Sufficient Staff & Resources; • Benefit-Cost Ratio by Hazard; • Confidence in the Benefit-Cost Ratio; • Engineering Feasibility; • Protection of Critical Facilities; • Performance Measures; • Durable Financial & Social Benefits; • Compliance with Federal laws and Executive Orders & Consistency with Federal Programs; • Leveraging Partners; • Appropriate Outreach Activities &/or Model for Other Communities; • Community Mitigation Factors. 	<p>Removed:</p> <ul style="list-style-type: none"> • Benefit-Cost Ratio by Hazard (BCR) • Engineering Feasibility • Confidence in the BCR • Compliance with Federal Laws & consistency with Federal programs • Community Mitigation Factors <p>Added:</p> <ul style="list-style-type: none"> • Viability of the proposed mitigation activity

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Technical Review	FEMA will conduct a Technical Review before the National Ranking and National Evaluation processes that may affect project sub-applications' competitiveness in the National Ranking and Evaluation or may remove project sub-applications from further review.	<p>FEMA will conduct a Technical Review of project sub-applications after the National Evaluation process for the highest scoring project sub-applications, representing approximately 150 percent of available funding.</p> <p>The Technical Review will focus on two areas: Benefit-Cost Analysis and Engineering Feasibility. The Environmental Historic Preservation aspect of the Technical Review has been eliminated.</p> <p>Project sub-applications that do not meet cost-effectiveness and engineering feasibility requirements will be removed from consideration and will not be selected for further review.</p>